

MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
OCTOBER 19, 1993  
CHICAGO, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on October 19, 1993 at 10:00 A.M. The meeting was held in Room 500-C of the State of Illinois Building, 160 North LaSalle Street, Chicago, Illinois and was held pursuant to previous Board action in conformity with the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; Board Members Gayl S. Pyatt and Robert F. Vickrey; and, Board Members Designate William B. Browder and J. William Roberts.

Additionally, Interim Administrator Joseph F. Mc Quaid; Deputy Administrators J. Thomas Hutchison and Marcy L. Wolf; Chief Legal Counsel Donna B. More; members of the media and the general public were present.

Chairman Johnson called the meeting to order at 10:00 A.M. noting and welcoming the Board's most recent appointee, William J. Browder.

The first order of business was the approval of the minutes of previous Board meetings.

Ms. Pyatt moved that the Minutes of the Special Meeting held April 14, 1993 be approved as submitted. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Minutes of the Regular Meeting held May 3, 1993 be approved as corrected in two places. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Minutes of the Special Meeting held June 17, 1993 be approved as submitted. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the minutes of the Special Meeting held June 23, 1993 be approved as corrected in one place. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Minutes of the Special Meeting held July 14 and 15, 1993 be approved as submitted. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the minutes of the Special Meeting held July 20, 1993 be approved as submitted. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned the Board's meeting schedule. The Chairman suggested the Board adopt a procedure that would allow sufficient opportunity for staff and member review of issues brought before the Board. The Chairman outlined the following suggested procedure:

1. All items appearing on the agenda for a first time would be automatically deferred to the next subsequent meeting for action, with the exception of Occupational Licenses and renewals, Supplier's License renewals and, recommendations of the Administrative Law Judge;
2. Agenda items must be submitted to the Board twenty days prior to a Board meeting to appear on the agenda; and,
3. To avoid excessive Special Meetings of the Board, the Board adopt a regular monthly meeting schedule to commence in January, 1994.

The Chairman noted that the Board would retain the ability to take action on any agenda item or other emergency matter. Members and the audience discussed the proposal.

Ms. Pyatt moved that the Board adopt the procedures proposed by the Chairman. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned revised application forms. Mr. McQuaid described proposed modifications to personal disclosure forms.

Mr. Roberts moved that the Board adopt the proposed modifications to Personal Disclosure Form(s) 1, 2 and 3. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned the status report of Elgin Riverboat Resort.

Mr. Dan Azark appeared on behalf of the applicant. He told the Board that ground had been broken for the project and that operations were expected to commence during October 1994. He also told the Board that the project plan had been changed to construct a three level parking garage instead of the originally proposed land level parking lot. Mr. Vickrey requested the applicant to be prepared to discuss ingress and egress from the parking facility at the next meeting of the Board. In response to questions, Mr. Azark stated that with regard to published reports, Elgin Riverboat Resort was not the subject of pending litigation. The Chairman instructed Elgin Riverboat Resorts to submit written monthly status reports as required by Rule 3000.230 (d).

The next order of business were status reports of licensees. The Chairman called Greater Peoria Riverboat Corporation.

Mr. Thomas Moore, attorney for the licensee, appeared and requested the Board to approve a change of name for the corporation to Par-a-dice Gaming Corporation. He also told the Board that a new \$20 million replacement cruise ship was under construction.

Mr. Roberts moved that the Board approve the request of Greater Peoria Riverboat Corporation to change their identity to Par-a-dice Gaming Corporation. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

There was further discussion concerning recent elections of the Board of Directors of the Corporation. The Chairman deferred the subject to a future meeting of the Board. The Chairman also requested that the Corporation submit suggestions concerning standards for licensees to meet in avoiding cruise disruptions. (The Chairman requested all licensees to submit proposals.) There was no further discussion. The Chairman requested staff submit an analysis concerning reciprocity of Occupational Licenses for discussion at the next regular meeting.

The Chairman next recognized Empress River Casino Corporation.

Mr. Kevin Larson appeared on behalf of the licensee and told the Board that their second vessel, Empress II, was expected to commence operations during December, 1993. He also briefed the Board on the progress of Empress Palace. Mr. Larson requested the Board approve the transfer of the investment of owner William McEnergy to a revocable grantor trust. Mr. Orville Larson, attorney for Mr. McEnergy, appeared to respond to questions.

Ms. Pyatt moved that the request of William J. McEnergy to transfer his investment of 1,527,778 shares of Argosy Gaming Company stock and 200 shares of Empress River Casino Corporation stock to a living trust in which Mr. McEnergy is the sole trustee and sole beneficiary be approved. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Larson asked the Board for an interpretation of the statutory 1200 gaming participant provision in anticipation of Empress II. The Chairman deferred the matter to the next regular meeting. There was no further discussion.

The Chairman next recognized Argosy Gaming Company.

Mr. Joseph Uram, Chief Financial Officer, appeared on behalf of the licensee. He described the efforts and actions of Argosy Gaming Company to remain operational during the recent flood in Alton and noted that the Alton Belle II had not canceled any scheduled cruises. Mr. Uram presented a request for Board approval of a new member of Argosy's Board of Directors. The Chairman deferred consideration of the request. There was no further discussion.

The Chairman next recognized Hollywood Casino Aurora.

Mr. William Weidner appeared on behalf of the licensee. He described start up efforts of the enterprise and noted that after launching of their two vessels, significant alterations of the engine plant cooling system were

necessary which he attributed to a lack of sea trials. Mr. Weidner also noted that lower than expected river levels had been experienced forcing disruption of a number of scheduled cruises. He stated, however, that Hollywood had undertaken efforts to acquire appropriate dredging permits to eliminate the problem and noted that during the past 45 days, 74% of their cruise schedule had been met. Ms. Pyatt requested Hollywood Casino Aurora submit monthly reports concerning cruise frequency, dredging projects and relocation of existing power lines.

Mr. Roberto Rivera-Soto, attorney for the licensee, appeared and requested approval of a new proposed financial structure. The Chairman deferred the request pending staff review and analysis.

The Chairman next recognized Harrah's Joliet.

Mr. Tim Wilmott, General Manager, appeared on behalf of the licensee. He told the Board that construction of the permanent docksite pavilion would be completed by November, 1993 and that Harrah's second vessel, Southern Star, was expected to be operational during December, 1993.

Mr. Bill Thistle, attorney for the licensee, requested a ruling from the Board concerning an employee of Harrah's. The question sought to determine whether an employee of a licensee, whose compensation was determined on the basis of anticipated wagering of patrons should be considered a junketeer requiring a Suppliers License. It was noted that the Act prohibited the holder of an Owners License from also holding a Suppliers License. The matter was deferred.

Mr. Thistle also requested Board approval for an additional member of Harrah's Board of Directors. In absence of a completed background investigation, the request was deferred.

There was no further discussion.

Ms. Pyatt moved that pursuant to 5 ILCS 120, that the Board retire to Closed Session to discuss personnel issues including the search for an Administrator and a request by the Interim Administrator concerning employee reviews for certain Board employees, reports of the Administrative Law Judge, reports for Supplier and Occupational licenses, and to discuss any pending investigations. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 12:35 P.M.

The Illinois Gaming Board reconvened in Open Session at 2:20 P.M. Chairman Johnson, and Members Browder, Pyatt, Roberts and Vickrey were in attendance.

The first order of business concerned release of information requested under the Freedom of Information Act, (FOIA). Ms. More discussed a recent denial of a request for information that is available in other jurisdictions. Ms. More stated that the denial was based on an exemption in FOIA regarding information that could cause competitive harm. She noted that Illinois licensees oppose release of information disclosing payout percentages of electronic gaming devices by denomination. The Chairman instructed staff to

draft a proposal, that would make the requested information public, for discussion at the next meeting. The Chairman encouraged input from licensees.

The next order of business concerned a request received from Par-a-dice for the Board to approve the use of strategy cards.

In absence of a representative from Par-a-dice, Mr. Roberts moved to table the request. The motion failed due to lack of a second. The Chairman deferred further consideration and requested staff to analyze the request.

The next order of business concerned card counting. Staff had requested licensees to provide criteria used to identify patrons involved in card counting. The Chairman deferred the matter and asked staff to analyze information submitted by licensees.

The next order of business concerned entertainment offered by Illinois licensees. Mr. Mc Quaid noted that Players Riverboat Casino had advertised entertainment that was subsequently cancelled and that staff was of the opinion that rulemaking was not required to regulate entertainment.

The next order of business was Supplier Licensing.

Mr. Vickrey moved that the Suppliers License of Greate Bay Casino Corporation be renewed. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Suppliers License of Bally Gaming, Inc. be renewed. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the application received from Ms. Kathleen J. Steele to be Chief Executive Officer for Nevada Dice Company be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned Occupational License, Level 1.

Mr. Roberts moved that the Occupational License, Level 1 application received from Tracy A. Babbitt to be Vice President of Operational Analysis for Siver Eagle Casino be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Cynthia A. Borkowski to be Senior Internal Auditor for Hollywood Casino - Aurora be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Erwen A. Brausam to be Manager of Surveillance for Hollywood Casino - Aurora be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Andrew J. Duggan to be Director of Finance and Administration for Harrah's Casino Cruises - Joliet be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Thomas P. Halt to be Technical Systems Manager for Harrah's Casino Cruises - Joliet be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Raymond Mace to be Director of Surveillance for Casino Rock Island be denied. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Shakeel A. Siddiqi to be Assistant General Manager for Silver Eagle Casino be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approve unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Walter J. Stachnik to be Slot Manager for Alton Belle Casino be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Occupational License, Level 1 application received from Robert A. Farinella to be General Manager for Casino Rock Island be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Board accept the staff report with respect to recommended approval of applications received for Occupational License, levels 2 & 3. It was noted that staff recommended approval of 1476 level 2 applications and 1746 level 3 applications. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Board accept the staff report with respect to recommended denial of applications received for Occupational License, levels 2 & 3. It was noted that staff recommended denial of 10 level 2 applications and 20 level 3 applications. Ms. Pyatt seconded the motion.

The motion was approved unanimously by voice vote. (Those persons denied were read into the recorded record.)

The next order of business concerned reports of the Administrative Law Judge.

Ms. Pyatt moved that the request to withdraw from administrative review received from Sue Ann Cerbe be granted leave of the Board. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

Leave was granted unanimously by voice vote.

Ms. Pyatt moved that the Board, having reviewed the administrative record, adopt the finding of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge, deny the application for an Occupational License for Larry Mitchell. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board, having reviewed the administrative record, adopt the finding of fact and conclusions of law as stated in the recommendation of the Administrative Law Judge, approve the application for an Occupational License for Philip Dettmering. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned New Business.

The Chairman reported that the Board had approved an advertisement for the position of Administrator that was to be placed in various news publications. He also noted that the Board had discussed salary adjustments for executive staff of the Board.

The next item of discussion concerned review of existing Board rules. The Chairman instructed staff to begin a review, as time allowed, and make recommendations as to the adequacy of existing rules of the Board.

The next item of discussion concerned Transfer of Ownership. The Chairman noted that significant ownership changes are occurring and instructed staff to review, analyze and suggest appropriate rulemaking.

The Chairman announced that the Board had determined to hold a Regular Meeting of the Board on December 2, 1993 in Chicago, Illinois beginning at 10:00 A.M. He noted that the Board would set their regular monthly meeting schedule at that time.

There being no further business to come before the Board, Mr. Browder moved the Board stand adjourned. Ms. Pyatt seconded the motion.

Without objection, the Board adjourned at 3:02 P.M.

Respectfully submitted,

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James A. Nelson  
Secretary of the Board



